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BC STATS

Service BC, Ministry of Labour and Citizens' Services
and the Ministry of Small Business and Revenue

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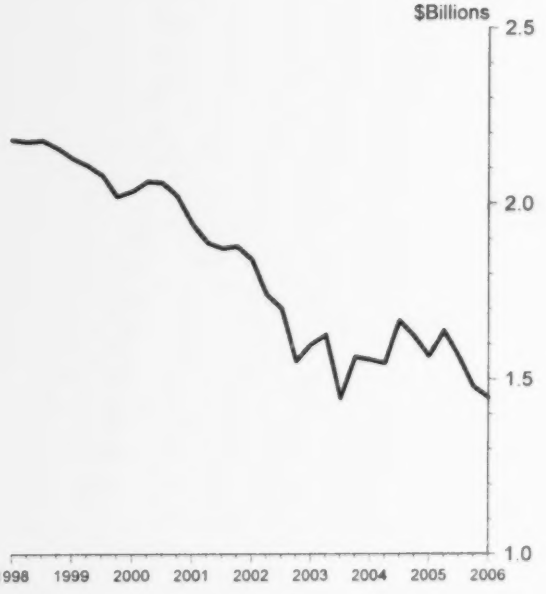
June 2006
Issue: 06-1

Small Business Quarterly ◆ 1st Quarter 2006

- There was a 4.5% jump in the number of small businesses in BC (excluding self-employed persons without paid help) in the first quarter of 2006 compared to the January to March period of 2005. Micro-businesses with fewer than five employees continued to supply the bulk of the growth, recording an increase of 7.0%.
- The number of self-employed workers in the province edged up 0.6% in the first quarter of 2006 compared to the same period a year earlier. The increase was entirely due to growth in the number of self-employed without paid help (+3.0%) as the count of self-employed with paid help slumped 3.8%.
- Employment in small businesses climbed 3.3% in the first quarter. The fastest growth was in the number of jobs in businesses with 20-49 employees (+4.7%), although employment growth in businesses with fewer than 20 employees was also fairly strong, at 2.7%.
- Both business and consumer bankruptcies dropped in the first quarter. Business bankruptcies were down 3.6%, while consumer bankruptcies fell 11.9%. A relatively strong economy and historically low interest rates are contributing to the reduction in business and consumer insolvencies.
- The number of new BC business incorporations jumped 16.8% in the first quarter. The count of 7,958 new incorporations in the quarter was the highest recorded since the first quarter of 1994.
- The value industrial building permits in BC climbed 4.6% in the first quarter despite a 17.4% plunge in the value of permits issued in Vancouver. Meanwhile, the value of commercial building permits in BC fell 6.3%, driven largely by an 8.2% slump in permits issued in Vancouver.
- Interest rates are starting to head back up, but so far this has not had much affect on demand for new housing. Urban housing starts in BC were 27.2% higher in the first quarter of 2006 compared to a year earlier.
- In the first quarter, there was a 7.6% decline in the total value of chartered bank business loans worth less than $200,000 (the size most likely to be pursued by small business). This drop continues a long-term trend, which likely indicates that small businesses are looking elsewhere for financing.

Chartered bank business loans valued at less than $200,000 have been falling steadily



Now Hiring: BC's Labour Well Running Dry

By Jade Norton

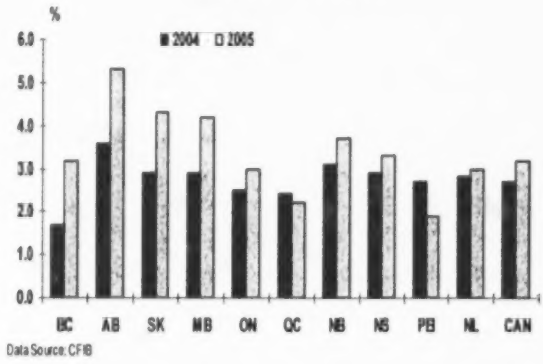
Labour shortage in BC has been a burning topic in recent months. Almost every news broadcast, newspaper and other media are buzzing about BC's hot economy and the province's parched labour pool.

It is not uncommon for the wax and wane of the business cycle to put pressure on labour supply. In the boom era of the 1980s, for example, there was imminent concern over the drying up of the province's labour pool; however, this quickly diminished with the economic recession of the early 1990s. Nonetheless, with the 2010 Olympic Games fast approaching, concerns over whether the province can meet its expectations have returned and intensified. Employers in small, medium, and large enterprises are having more difficulty finding and retaining qualified employees to fill ever increasing numbers of job vacancies.

Surveys conducted by the Canadian Federation of Independent Business (CFIB) have shown that labour shortage has been a constant and growing concern of small- and medium-sized businesses (SMEs) in BC and across Canada.[1] According to the most recent CFIB survey (July-December 2005), 52% of SMEs in Canada consider shortage of qualified labour to be a pertinent issue. In BC, over 60% of businesses state this as a major concern, up almost ten percentage points from the 51% who voiced the same worry six months prior (January-June 2005).

According to CFIB, until 2005, BC had remained well below the Canadian average in terms of its rate of job vacancies. However, according to their latest release,[2] BC's long-term vacancy rates jumped from 1.7% in 2004 to 3.2% in 2005, bringing it on par with the Canadian average (3.2%). This amounts to an 88.2% increase of long-term job vacancies between 2004 and 2005, the biggest among the provinces. It is estimated that there were 23,000 jobs left vacant for four or more months last year in BC and that 30% of BC businesses had at least one long-term vacancy.

Long term vacancy rates increased substantially in Western Canada between 2004 and 2005



Data Source: CFIB

BC is by no means the only province to be affected by long-term vacancy rates. Between 2004 and 2005, SMEs in every province, with the exception of PEI and Quebec, saw increases in vacancy rates.

Almost a quarter of a million Canadian jobs went unfilled for months at a time in 2005, as businesses experienced difficulty recruiting new workers. The vacancy rate was highest for small businesses. Although most Canadian business sectors are challenged by long-term

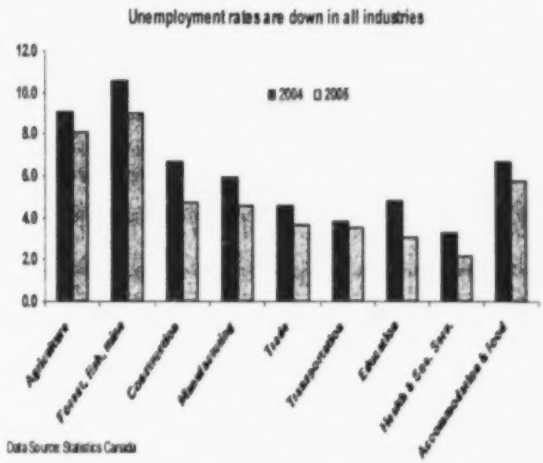
[1] CFIB Our Members' Opinions Surveys No.47-57 2000-2005

[2] CFIB Help Wanted: Long-term vacancies a major small business challenge. April, 2006

vacancies, some are particularly hard-hit with hiring difficulties. The sector identified by CFIB as being the most heavily impacted across the country is the construction industry which had a long-term vacancy rate of 4.7% in 2005. Other sectors affected include agriculture (3.9% long-term vacancy rate) retail (3.7%) and transportation (3.5%).

Although overall labour force participation rates have remained relatively unchanged between 2004 and 2005, they have increased among those aged 15-24 (+1.5 pp) [3] and among those aged 45-64 (+0.8 pp). Participation among those in the youngest work-age cohort (15-19 years of age) increased the most between 2004 and 2005 (+2.2 pp) while participation rates in the age cohort that comprises most of BC's labour force (those aged 25-44) slipped (-1.0 pp) over the same period.

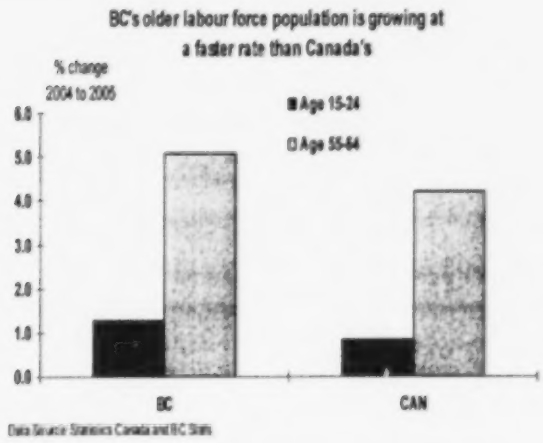
BC's unemployment rate has fallen from over 8.0% in 2003 to about 4.9% as of May of this year. Unemployment rates dropped significantly between 2004 and 2005 in virtually all major sector classifications, most notably in health care (down 1.7 pp to 2.2%) and education (down 1.7 pp to 3.1%) both of which began to recover from major slips in recent years. Construction remains the sector that has seen the most considerable declines in unemployment rates over the past few years falling from 8.8% in 2003 to 6.7% in 2004 and dropping further to 4.7% in 2005. Agriculture has also seen noteworthy drops in the past few years falling 2.5 percentage points from 2003 to 2004 and a further percentage point in 2005.



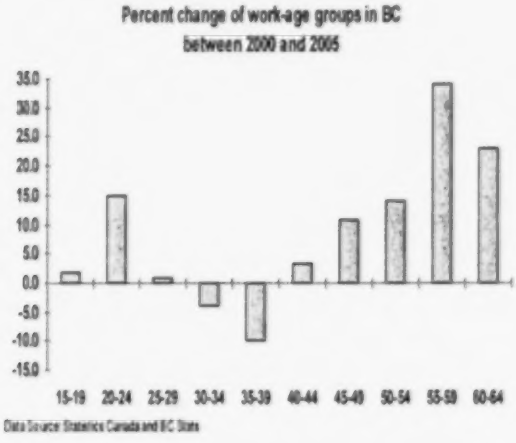
Though, generally, issues of labour supply resulting from the economic cycle tend to be self-correcting, problems arising from other areas can involve more of an effort in terms of intervention and prevention on behalf of government, business, and communities alike. The current concern over labour shortage in BC and Canada as a whole involves obvious components outside the economic cycle. Canadian employment grew for the 13th year in a row in 2005, the longest stretch of gains since the increases of the 60's and 70's when more and more women were entering the work-force. Now it is arguably the ageing population that will affect future numbers.

Indeed, the biggest issue with regard to BC's shortage of workers is the province's ageing population and lack of young potential workers to fill the shoes of retirees. As the baby boomer cohort begins retiring, a record number of job vacancies will be left behind. BC has an older demographic makeup than the Canadian average, which indicates that the province may be hit harder than some other regions of the country.

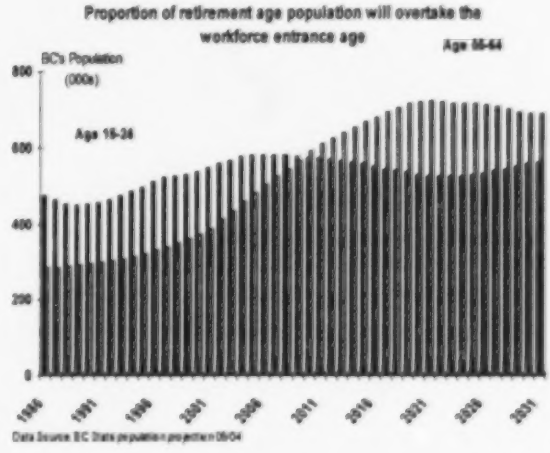
[3] Note: pp denotes percentage points.



Between 2004 and 2005, for example, BC's total population increased by 1.3%. Over the same period, the number of people aged 15-24 increased at the same rate (+1.3%), while the population of British Columbians between the ages of 55 and 64 increased at more than four times the pace (+5.1%).



Over the same period, Canada's population of 55 to 64-year-olds (+4.2%) rose at a slower pace. Historically, the potential new entrants to the workforce (those aged 15-24) have far exceeded the retiring population, though this is no longer the case: the size of BC's young population has levelled off while the older working aged population has begun to skyrocket. The gap will continue to widen as more and more boomers reach retirement age, especially given that the number of people in the youngest of workforce age groups is also declining. In 2005, approximately 14% of the province's population was between the ages of 15 to 24, while about the same share of the population was 65 or over. According to BC Stats population projections by 2010, 13% of the population will be in the younger group and 15% will be 65 and over. Though it may seem far away, by 2031 these proportions are predicted to be at approximately 10% and 24% respectively.



As the ageing population is inevitable, other issues have come to the forefront in addressing BC's waning labour pool. Immigration of skilled workers remains important and many are calling for a revamp of immigrant selection criteria in hopes of bringing more immigrants to BC to fill more jobs.

However, although immigration of skilled workers is an important component in addressing the labour shortage, it will not be sufficient to solve the problem. The proportion of BC's population who are over the age of 65 will continue to grow.

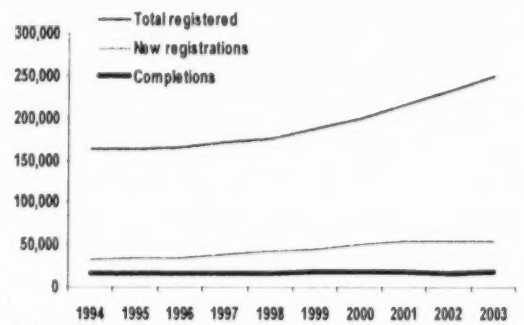
Domestic inter-provincial migration is also a factor as both one of the causes

and one of the proposed solutions to BC's diminishing labour pool. Alberta's booming economy and resulting job opportunities have contributed to a net out-migration from BC over the past few years, which has also contributed to the reduced number of skilled workers in BC. Though recruiting migrants from other parts of the country may help with the shortage, BC would face fierce competition from its neighbouring province as well as other regions of Canada who are looking to tap the same resource.

It is argued by some that impediments to recruiting and training of new employees have also contributed to an overall skills shortage. The BC Chamber of Commerce[4] identifies the effectiveness of apprenticeship and training programmes as a concern in labour issues. Many industries, particularly construction, have voiced concern over the infeasibility and expense of proper training processes that are difficult for smaller businesses to institute and maintain. There has also been talk of lack of cohesion between industries and the education system both at the secondary and post-secondary level. There have been growing concerns that the education system no longer encourages young people to view trades as viable career choices and that training completion rates are slowing as programmes are taking longer to complete.

A recent Statistics Canada overview of apprenticeship training in Canada[5] examined trends in Canada and its regions between 1991 and 2003. According to the data, in 2003, the average age of apprentices was 30 years, up from 29 in 1993. Numbers of registered apprentices have been increasing steadily since 1995 and reached 249,000 in 2003. The largest number of registrants was in building construction. Trends in apprenticeship completion have also been on the rise, though not nearly to the same extent. In the building construction trades, for instance, completions in registered apprenticeship training dropped significantly between 1993 and 2003 (from 3,097 to 2,520), despite the increase in new registrants and total number of registered apprentices in this trade group over the same period.

Trades apprenticeship registration levels have increased faster than completions over the last decade of data



Data Source: Statistics Canada

There are, of course, many factors that can affect such trends, though the results do seem to add fuel to an argument that many trades groups are making. These issues merit further exploring.

Cost is another difficulty faced by employers in terms of training and recruiting skilled workers; not only do employers face paying for training, but they are also met with reduced productivity while training occurs. Perhaps more pertinent is the fear of lost investment. Many SMEs have complained of providing skill-training and development for their current employees only to

[4] October 2005 news release from the BC Chamber of Commerce: http://www.bcchamber.org

[5] Statistics Canada: *Trends in Registered Apprenticeship Training in Canada.* Cat. # 81-004-XIE/2006002, Released June 26, 2006.

have these employees recruited by other companies.

Wage increases have also been suggested as a partial solution to the shortage of workers in the province. If wages were to increase substantially, it is likely that more people would be drawn back into the workforce. However, production and capacity utilization rates would also need to go up.

The BC Chamber of Commerce, among other organizations, has made recommendations that community and government leaders lobby to make it a priority to develop partnerships and strategies to recruit and develop human resources from non-traditional sources of workers such as Aboriginals, immigrants, visible minorities and people with disabilities.

In BC's 2006 budget,[6] the government committed to spend $90 million over the next three years towards new tax credits for training and also increased support of programmes encouraging the participation of First Nations, women and disadvantaged youth. Also welcomed by business advocates such as the BC Chamber of Commerce, were additional measures focused on enhancing skills in a number of sectors with an increase of $39 million for the Industry Training Authority. The degree to which these measures will address the problem remains to be seen.

Early retirement will likely become less and less common and it has been suggested that the mandatory retirement age be extended or lifted altogether, making it possible for older workers to continue working if they so wish. Indeed, many retirees have voiced feeling "forced" into retirement before they feel ready and have expressed eagerness to continue working into much later years.

Analysts[7] expect that the retirement of the baby-boom generation in Canada will prompt cultural and institutional changes. The baby-boomer generation also encompasses the first cohort of women to face retirement after having worked for most of their adult lives.

Talk of labour shortages have been around for a long while, especially since the wake of the terrorist attacks on the US in 2001 when concerns of fewer immigrants coming to North America fuelled already strong fears of labour shortages resulting from the retiring boomers.

BC's ageing population is combining with the hot economy to cause major labour shortage problems. Suggested solutions, such as putting an end to mandatory retirement, more cohesion among the trades and the education system, and a shift in immigration policies would all take time. BC's labour shortage, on the other hand, is no longer looming; it has arrived, such that it is likely no longer an option to just expect that the normal market adjustments will rectify the situation.

[6] October 2005 news release from the BC Chamber of Commerce: www.bcchamber.org

[7] Statistics Canada study, New Frontiers of Research on Retirement. March 27, 2006. Cat.#75-511-X

Recent Feature Articles Listed by Issue Number

06-1: *'Now Hiring: BC's Labour Well Running Dry'* (released Jun 2006)

05-4: *'The Business Gateway'* (released Mar 2006)

05-3: *'BC Restaurants: An Industry Overview'* (released Dec 2005)

05-2: *'Effects of Canadian Dollar Mixed for Small Business'* (released Oct 2005)

05-1: *'Small Businesses that Export'* (released Jun 2005)

04-4: *'Small Business Outlook'* (released Mar 2004)

04-3: *'Lumber Dispute Big Issue for Small Business'* (released Dec 2004)

04-2: *'Small Business and Older Workers'* (released Oct 2004)

04-1: *'Small Business Suffers Gas Pains'* (released Jun 2004)

03-4: *'Small Business is Embracing the Internet'* (released Mar 2004)

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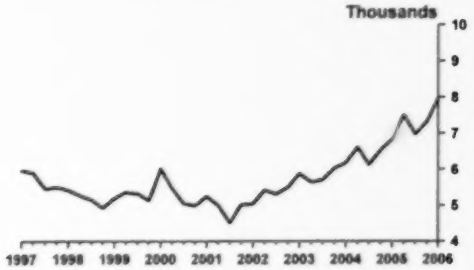
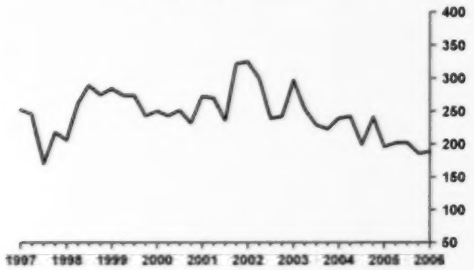
99-2: *'A Quarter of All Employees In British Columbia Work For Small Employers'* (released Nov 1999)

Business Counts, Formations and Failures

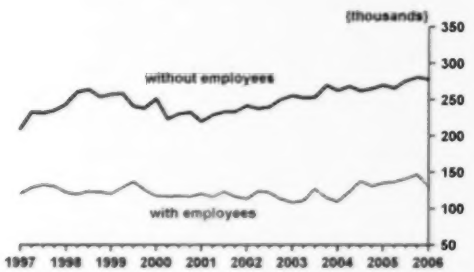
New Business Incorporations in British Columbia



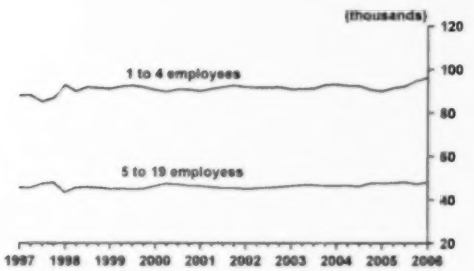
Number of Business Bankruptcies in British Columbia



Self-Employed Persons



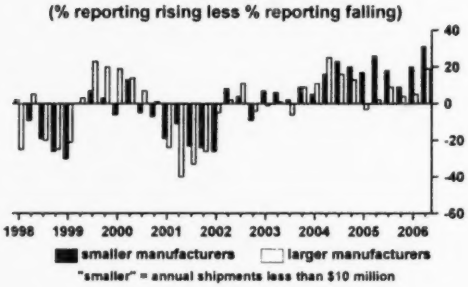
Small Businesses With Employees



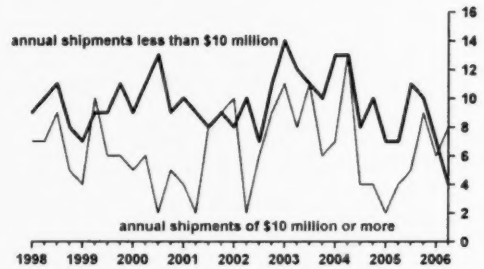
Business Conditions

Balance of Opinion on New Orders Received at Start of Quarter

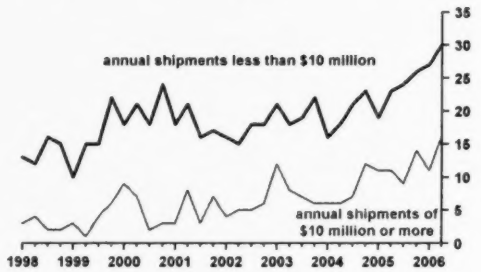
(% reporting rising less % reporting falling)



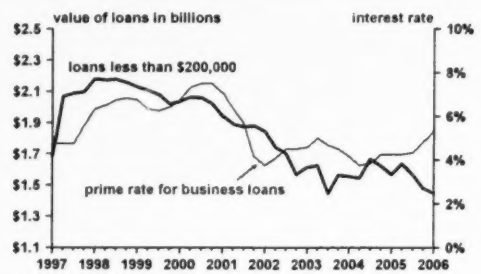
Per Cent of Manufacturers Experiencing Shortage of Working Capital



Per Cent of Manufacturers Experiencing Shortage of Skilled Labour



Chartered Bank Business Loans in British Columbia



Small Business Quarterly

Table 1

Period	Active Employer Businesses [1] by number of employees						Employment [2] by number of employees in business				Self-employed [3]		
	Total	1-4	5-9	10-19	20-49	1-49	Total [4]	1-19	20-49	50+	Total [5]	with paid help	without paid help
	('000)						('000)				('000)		
Annual Averages													
1997	150.9	87.2	27.5	19.2	11.7	145.5					360.1	127.9	225.7
1998	153.7	91.6	26.9	18.2	11.5	148.2					383.8	121.7	255.6
1999	154.6	92.0	26.8	18.2	11.9	148.9					381.4	127.8	248.8
2000	156.6	90.5	27.5	19.3	13.0	150.3	1,565.3	411.5	181.9	971.9	356.6	116.6	234.4
2001	156.9	91.5	27.2	18.5	12.4	149.7	1,585.7	412.3	186.3	987.1	351.4	118.7	228.9
2002	156.8	91.8	27.2	18.3	12.4	149.6	1,603.4	412.7	194.3	996.4	363.3	117.9	242.6
2003	157.6	91.4	27.8	18.7	12.5	150.4	1,634.9	418.9	202.1	1,013.9	376.3	114.9	257.7
2004	158.4	92.1	27.7	18.9	12.5	151.2	1,666.6	432.6	204.5	1,029.5	391.5	124.9	264.4
2005	160.7	92.1	28.2	19.5	13.3	153.0	1,700.8	438.4	207.7	1,054.8	415.8	139.6	273.1
% change 2004-2005	1.4%	0.0%	1.6%	3.1%	6.5%	1.2%	2.1%	1.3%	1.6%	2.4%	6.2%	11.8%	3.3%
Quarterly	*End of Quarter*						*Quarterly*				*Quarterly Averages*		
2003 Q1	157.2	90.9	27.8	18.6	12.6	149.8	1,610.9	407.7	192.7	1,010.6	367.1	107.8	255.6
Q2	157.4	91.0	27.9	18.7	12.6	150.2	1,651.8	420.1	204.2	1,027.5	367.1	110.7	252.3
Q3	157.5	91.1	27.9	18.8	12.5	150.3	1,634.8	426.4	207.0	1,001.4	382.5	126.6	253.4
Q4	158.4	92.8	27.7	18.6	12.3	151.3	1,641.9	421.4	204.5	1,016.0	388.4	114.3	269.6
2004 Q1	158.7	93.0	27.5	18.7	12.3	151.6	1,624.1	418.2	199.3	1,006.6	374.3	109.2	262.3
Q2	158.5	92.5	27.7	18.8	12.3	151.3	1,681.2	437.4	205.9	1,038.0	392.7	122.5	268.4
Q3	158.0	92.4	27.5	18.6	12.3	150.8	1,675.3	440.3	209.9	1,025.1	400.7	137.3	261.9
Q4	158.4	90.6	28.1	19.4	13.0	151.0	1,685.9	434.5	202.9	1,048.5	398.2	130.7	265.1
2005 Q1	158.3	90.0	28.1	19.4	13.2	150.7	1,662.3	426.3	196.6	1,039.5	409.4	134.7	269.8
Q2	160.1	91.4	28.2	19.5	13.4	152.5	1,715.1	439.8	207.6	1,067.7	404.9	136.5	265.6
Q3	161.7	92.2	28.3	19.8	13.5	153.8	1,702.6	445.3	217.1	1,040.1	419.1	140.6	275.8
Q4	162.7	94.7	28.0	19.1	13.1	154.9	1,723.2	442.0	209.4	1,071.8	429.6	146.7	281.2
2006 Q1	165.4	96.3	28.4	19.5	13.4	157.5	1,716.8	437.6	205.8	1,073.4	412.0	129.6	277.8
year last available quarter	4.5%	7.0%	1.0%	0.5%	1.2%	4.5%	3.3%	2.7%	4.7%	3.3%	0.6%	-3.8%	3.0%
Monthly													
Jun-05											406.0	131.1	273.2
Jul-05											419.9	142.3	274.8
Aug-05											418.1	142.5	272.1
Sep-05											419.3	137.0	280.6
Oct-05											433.3	143.0	288.6
Nov-05											425.1	152.7	271.3
Dec-05											430.5	144.5	283.6
Jan-06											410.7	133.2	273.1
Feb-06											408.9	128.4	275.7
Mar-06											416.5	127.1	284.5
Apr-06											405.0	128.9	271.9
May-06											399.2	135.4	259.3
year last available month											1.2%	4.7%	-1.3%
year-to-date	-	-	-	-	-	-	-	-	-	-	408.1	130.6	272.9

Notes:

[1] Source: Business Register

[2] Source: Survey of Employment, Payroll and Hours

[3] Source: Labour Force Survey

[4] Industrial aggregate excluding unclassified

[5] Total self-employed includes persons working in family business without pay

Source: Statistics Canada.
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BC Stats (250) 387-0376

Period	Business Formation Indicators: New BC Business Incorporations	Business Formation Indicators: Registrations Extraprovincial Companies (number)	Business Formation Indicators: Registrations Unincorporated Businesses	Bankruptcies: Business (number)	Bankruptcies: Consumer (number)
Annual Totals					
1999	21,009	2,366	20,917	1,075	8,179
2000	21,515	2,528	20,822	976	9,181
2001	19,749	2,479	21,306	1,100	9,474
2002	21,262	2,383	22,487	1,105	9,527
2003	23,243	2,544	25,121	1,002	9,393
2004	25,428	2,456	25,244	921	8,386
2005	28,593	2,618	26,200	786	8,179
% change 2004-2005	12.4%	6.6%	3.8%	-14.7%	-2.5%
Quarterly Totals					
2001 Q1	5,236	714	5,400	272	2,503
Q2	4,997	663	5,853	270	2,483
Q3	4,504	546	4,959	236	2,232
Q4	5,012	556	5,094	322	2,256
2002 Q1	5,035	604	5,335	325	2,469
Q2	5,417	616	6,220	299	2,472
Q3	5,313	559	5,772	239	2,388
Q4	5,497	604	5,160	242	2,198
2003 Q1	5,878	694	6,878	297	2,467
Q2	5,638	674	6,642	253	2,463
Q3	5,711	547	5,852	229	2,272
Q4	6,016	629	5,749	223	2,191
2004 Q1	6,175	755	6,835	239	2,299
Q2	6,602	547	6,655	242	2,254
Q3	6,128	618	5,796	199	1,909
Q4	6,523	536	5,958	241	1,924
2005 Q1	6,814	544	6,637	196	2,205
Q2	7,489	719	7,452	202	2,187
Q3	6,970	750	6,247	202	1,945
Q4	7,320	605	5,864	186	1,842
2006 Q1	7,958	821	7,325	189	1,943
year last available quarter	16.8%	50.9%	10.4%	-3.6%	-11.9%
Monthly					
Jun-05	2,584	246	2,500	61	707
Jul-05	2,220	237	2,026	60	628
Aug-05	2,331	260	2,169	76	647
Sep-05	2,419	253	2,052	66	670
Oct-05	2,408	181	2,050	66	615
Nov-05	2,469	233	2,064	60	710
Dec-05	2,443	191	1,750	60	517
Jan-06	2,477	250	2,329	61	581
Feb-06	2,602	273	2,307	63	655
Mar-06	2,879	298	2,689	65	707
Apr-06	2,407	247	2,298	53	607
May-06	-	-	-	-	-
year-to-date	10,365	1,068	9,623	242	2,550
year last available month	-2.2%	10.8%	-4.8%	-17.2%	-18.1%

Period	Interest Rates: Bank Rate	Interest Rates: Prime Rate (per cent)	Interest Rates: Conventional 5 Year Mortgage	Exchange Rate: Canadian $ Average Noon Spot Rate (U.S. ¢)	Consumer Price Index: BC (1992=100)	Consumer Price Index: Vancouver* (1992=100)	Consumer Price Index: Victoria* (1992=100)
Annual Averages							
2001	4.31	5.81	7.40	64.58	115.2	116.0	114.3
2002	2.71	4.21	7.02	63.69	117.9	118.6	117.4
2003	3.19	4.69	6.39	71.58	120.4	121.0	120.0
2004	2.50	4.00	6.23	76.98	122.8	123.4	122.8
2005	2.92	4.42	5.99	82.60	125.3	125.7	125.5
% change 2004-2005	N/A	N/A	N/A	7.3%	2.0%	1.9%	2.2%
difference 2004-2005	0.42	0.42	-0.24	N/A	N/A	N/A	N/A
Quarterly Averages							
2002 Q1	2.25	3.75	7.05	62.72	116.0	116.8	115.5
Q2	2.58	4.08	7.37	64.35	118.0	118.8	117.5
Q3	3.00	4.50	6.85	63.97	118.7	119.4	118.3
Q4	3.00	4.50	6.80	63.72	118.8	119.6	118.4
2003 Q1	3.08	4.58	6.63	66.26	119.7	120.4	119.3
Q2	3.50	5.00	6.20	71.58	120.3	120.9	119.8
Q3	3.17	4.67	6.28	72.46	120.9	121.4	120.5
Q4	3.00	4.50	6.45	76.00	120.8	121.4	120.5
2004 Q1	2.67	4.17	5.85	75.90	121.2	121.8	121.0
Q2	2.25	3.75	6.45	73.57	123.1	123.7	123.0
Q3	2.33	3.83	6.38	76.51	123.4	124.0	123.4
Q4	2.75	4.25	6.25	81.94	123.6	124.2	123.7
2005 Q1	2.75	4.25	6.12	81.50	123.8	124.5	123.9
Q2	2.75	4.25	5.90	80.40	125.2	125.7	125.4
Q3	2.83	4.33	5.80	83.25	126.0	126.5	126.2
Q4	3.33	4.83	6.15	85.24	126.1	126.3	126.5
2006 Q1	3.83	5.33	6.40	86.62	125.9	126.3	126.1
year last available quarter	N/A	N/A	N/A	6.3%	1.7%	1.4%	1.7%
year last available quarter	1.08	1.08	0.28	N/A	N/A	N/A	N/A
Monthly							
Jun-05	2.75	4.25	5.70	80.63	125.4	125.9	125.6
Jul-05	2.75	4.25	5.80	81.78	125.7	126.3	125.9
Aug-05	2.75	4.25	5.80	83.05	125.9	126.4	126.0
Sep-05	3.00	4.50	5.80	84.92	126.5	126.7	126.8
Oct-05	3.25	4.75	6.00	84.92	126.3	126.5	126.7
Nov-05	3.25	4.75	6.15	84.67	126.2	126.4	126.6
Dec-05	3.50	5.00	6.30	86.13	125.7	126.1	126.1
Jan-06	3.75	5.25	6.30	86.41	125.6	126.0	125.9
Feb-06	3.75	5.25	6.45	87.04	125.8	126.1	126.0
Mar-06	4.00	5.50	6.45	86.40	126.3	126.8	126.4
Apr-06	4.25	5.75	6.75	87.43	127.1	127.6	127.3
May-06	4.50	6.00	6.75	90.13	128.1	128.6	128.2
year last available month	N/A	N/A	N/A	13.2%	2.3%	2.3%	2.2%
year last available month	1.75	1.75	0.80	N/A	N/A	N/A	N/A

* Census Metropolitan Area

Sources: Bank of Canada, Statistics Canada.

Period	Commercial Building Permits			Industrial Building Permits			Urban Housing Starts	
	BC	Vancouver*	Victoria*	BC	Vancouver*	Victoria*	BC	Vancouver*
	($ thousands)			($ thousands)			(number)	
Annual Totals								
1999	1,142,105	652,159	101,453	319,145	172,604	5,931	14,176	8,677
2000	1,297,270	868,865	76,834	295,525	147,574	14,763	12,353	8,203
2001	1,171,233	718,860	86,782	221,353	105,178	21,843	15,689	10,862
2002	1,116,741	746,220	104,278	230,119	129,291	9,167	20,315	13,197
2003	1,129,623	607,764	134,420	244,024	90,082	20,451	24,720	15,626
2004	1,228,027	812,400	67,800	328,050	140,419	8,120	30,875	19,430
2005	1,886,405	1,099,029	183,804	346,203	148,198	9,103	31,119	18,914
% change 2004-2005	53.6%	35.3%	171.1%	5.5%	5.5%	12.1%	0.8%	-2.7%
Quarterly Totals								
2001 Q1	273,963	162,249	23,467	65,245	30,677	9,657	2,946	2,149
Q2	406,173	271,274	26,720	56,965	21,011	2,133	4,619	3,620
Q3	280,778	159,138	15,570	57,121	29,033	7,512	4,176	2,802
Q4	210,319	126,199	21,025	42,022	24,457	2,541	3,948	2,291
2002 Q1	198,407	125,804	18,170	25,849	12,710	2,091	3,659	2,285
Q2	353,724	264,566	28,515	73,400	42,047	3,452	5,279	3,548
Q3	266,902	144,797	41,744	79,205	47,950	2,380	5,934	4,020
Q4	297,708	211,053	15,849	51,665	26,584	1,244	5,443	3,344
2003 Q1	200,086	107,691	27,775	40,679	22,785	1,003	4,206	2,588
Q2	313,669	156,577	29,849	65,985	16,043	1,500	6,097	3,740
Q3	355,162	159,179	54,930	75,441	28,652	12,986	7,678	5,146
Q4	260,706	184,317	21,866	61,919	22,602	4,962	6,739	4,152
2004 Q1	260,672	174,174	14,042	47,164	10,009	3,393	6,079	3,698
Q2	374,553	266,254	17,076	79,549	41,841	1,791	9,008	6,064
Q3	328,277	198,638	13,676	92,804	28,585	1,781	8,533	5,437
Q4	264,525	173,334	23,006	108,533	59,984	1,155	7,255	4,231
2005 Q1	474,469	316,974	19,502	64,891	29,554	5,631	6,240	4,112
Q2	561,904	368,490	45,246	84,315	28,872	928	8,073	4,462
Q3	492,396	248,635	73,290	98,228	39,817	1,897	8,798	5,359
Q4	357,636	164,930	45,766	98,769	49,955	647	8,008	4,981
2006 Q1	444,431	290,977	30,288	67,886	24,401	6,115	7,939	5,093
year last available quarter	-6.3%	-8.2%	55.3%	4.6%	-17.4%	8.6%	27.2%	23.9%
Monthly								
Jun-05	206,277	136,846	10,206	41,145	13,480	64	2,481	1,317
Jul-05	123,334	63,166	13,765	44,321	11,437	259	2,905	1,645
Aug-05	177,257	73,546	18,327	37,498	23,355	892	2,666	1,723
Sep-05	191,805	111,923	41,198	16,409	5,025	746	3,227	1,991
Oct-05	118,634	57,638	30,123	24,918	11,890	87	2,923	2,009
Nov-05	109,256	45,248	11,089	31,774	18,310	446	2,506	1,341
Dec-05	129,746	62,044	4,554	42,077	19,755	114	2,579	1,631
Jan-06	115,225	78,691	9,991	14,958	4,723	227	2,157	1,089
Feb-06	120,047	72,349	3,124	28,399	9,839	807	2,764	1,988
Mar-06	209,159	139,937	17,173	24,529	9,839	5,081	3,018	2,016
Apr-06	173,511	118,015	7,740	20,965	9,454	319	3,479	2,304
May-06	-	-	-	-	-	-	2,361	1,267
year-to-date	617,942	408,992	38,028	88,851	33,855	6,434	13,779	8,664
year last available month	-6.2%	14.9%	-64.9%	-15.3%	3.5%	-54.0%	-20.2%	-29.5%

* Census Metropolitan Area

Sources: Canada Mortgage and Housing, Statistics Canada.
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Period	Chartered Bank Business Loans in British Columbia			
	Less than $200,000	$200,000 to $500,000	Greater than $500,000	Total
	($ millions)			
Annual Averages				
1996	1,861	1,508	9,162	12,530
1997	1,985	1,724	10,081	13,790
1998	2,172	1,825	11,077	15,074
1999	2,084	1,710	10,807	14,601
2000	2,045	1,605	10,575	14,224
2001	1,896	1,516	9,746	13,158
2002	1,710	1,393	9,373	12,475
2003	1,558	1,297	9,491	12,347
2004	1,597	1,346	9,730	12,673
2005	1,561	1,377	10,490	13,428
% change 2004-2005	-2.2%	2.3%	7.8%	6.0%
Quarterly				
1998 Q1	2,180	1,842	11,115	15,137
Q2	2,174	1,842	11,338	15,354
Q3	2,178	1,816	11,104	15,098
Q4	2,157	1,801	10,750	14,708
1999 Q1	2,128	1,792	10,908	14,828
Q2	2,108	1,735	10,975	14,818
Q3	2,080	1,686	10,876	14,642
Q4	2,020	1,627	10,467	14,114
2000 Q1	2,035	1,631	10,636	14,302
Q2	2,063	1,638	10,812	14,513
Q3	2,059	1,586	10,608	14,253
Q4	2,021	1,564	10,244	13,829
2001 Q1	1,942	1,561	10,171	13,674
Q2	1,890	1,539	9,552	12,981
Q3	1,873	1,502	9,599	12,974
Q4	1,879	1,461	9,662	13,002
2002 Q1	1,842	1,484	9,912	13,238
Q2	1,742	1,439	9,897	13,078
Q3	1,702	1,400	9,344	12,446
Q4	1,552	1,247	8,337	11,136
2003 Q1	1,599	1,312	9,159	12,070
Q2	1,626	1,327	9,795	12,748
Q3	1,445	1,292	9,700	12,437
Q4	1,563	1,258	9,311	12,132
2004 Q1	1,555	1,337	9,560	12,452
Q2	1,545	1,350	9,928	12,823
Q3	1,666	1,348	9,549	12,563
Q4	1,622	1,349	9,882	12,853
2005 Q1	1,566	1,363	10,319	13,248
Q2	1,637	1,388	10,745	13,770
Q3	1,564	1,386	10,206	13,156
Q4	1,478	1,370	10,691	13,539
2006 Q1	1,447	1,345	11,450	14,242
year last available quarter	-7.6%	-1.3%	11.0%	7.5%

Source: Bank of Canada.

Period	Manufacturers' Outlook for Business Conditions Companies With Annual Shipments Less Than $10 Million Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages)			Percent of Manufacturers Experiencing Production Difficulties From:		
	Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
	(index)			(%)		
Annual Averages						
1997	4	6	4	10	15	2
1998	8	-13	-7	10	14	1
1999	6	-5	5	9	16	2
2000	8	-1	6	11	20	2
2001	9	-19	-9	9	18	3
2002	1	-6	-1	9	17	3
2003	7	6	11	12	20	2
2004	5	16	16	11	20	5
2005	3	18	16	9	23	8
Quarterly						
2000 Q1	4	-6	-8	9	18	1
Q2	10	13	26	11	21	2
Q3	8	-5	10	13	18	2
Q4	8	-7	-4	9	24	4
2001 Q1	6	-19	-10	10	18	2
Q2	13	-11	19	9	21	3
Q3	10	-23	-6	8	16	3
Q4	8	-24	-38	9	17	3
2002 Q1	3	-26	-16	8	16	4
Q2	2	8	27	10	15	2
Q3	-1	4	3	7	18	4
Q4	1	-9	-17	11	18	3
2003 Q1	6	7	2	14	21	3
Q2	8	6	22	12	18	1
Q3	8	2	10	11	19	2
Q4	7	9	8	10	22	3
2004 Q1	7	5	-2	13	16	3
Q2	5	16	31	13	18	4
Q3	2	23	25	8	21	7
Q4	6	20	11	10	23	6
2005 Q1	1	17	12	7	19	6
Q2	3	26	29	7	23	7
Q3	6	18	22	11	24	8
Q4	2	9	2	10	26	9
2006 Q1	9	20	15	7	27	8
Q2	4	31	37	4	30	9

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable. For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey*, which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

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Manufacturers' Outlook for Business Conditions
Companies With Annual Shipments of $10 Million or More

Period	Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages)			Percent of Manufacturers Experiencing Production Difficulties From:		
	Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
		(index)			(%)	
Annual Averages						
1997	29	12	12	4	3	1
1998	32	-16	-1	7	3	0
1999	19	6	10	7	4	0
2000	10	10	11	5	5	1
2001	24	-31	-5	6	5	0
2002	15	1	5	7	5	1
2003	15	1	9	9	8	1
2004	7	16	10	7	8	2
2005	12	3	6	5	11	5
Quarterly						
2000 Q1	7	19	12	5	9	2
Q2	19	14	11	6	7	1
Q3	16	7	14	2	2	0
Q4	-4	1	6	5	3	0
2001 Q1	19	-24	-7	4	3	0
Q2	27	-40	4	2	8	0
Q3	37	-33	-9	8	3	1
Q4	14	-26	-7	9	7	0
2002 Q1	15	-5	-2	10	4	1
Q2	13	2	15	2	5	0
Q3	13	11	6	6	5	0
Q4	19	-4	-1	9	6	1
2003 Q1	16	-1	-8	11	12	0
Q2	15	1	15	8	8	1
Q3	20	-6	18	11	7	0
Q4	10	9	10	6	6	1
2004 Q1	5	11	2	7	6	1
Q2	-1	25	24	13	6	1
Q3	16	16	7	4	7	2
Q4	9	13	7	4	12	2
2005 Q1	14	-3	-15	2	11	4
Q2	13	2	26	4	11	5
Q3	9	9	17	5	9	5
Q4	10	4	-3	9	14	4
2006 Q1	7	5	12	6	11	6
Q2	14	19	26	8	16	6

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable. For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey*, which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

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